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UNCLAS LAGOS 000624

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SUBJECT: NIGERIA: ESCRAVOS UPDATE - CRISIS WORSENS

1. (SBU) Proprietary information please hold closely.

2. (SBU) Summary. The situation at ChevronTexaco's Escravos compound has deteriorated markedly since the March 20 arrival of government troops to quell the confrontation between Ijaw and Itsikiri villagers over local political power. Approximately 100 Amcits are inside of the compound along with another 100 expatriates, 1800 Nigerian employees, and 900 (of an original 2000) Itsikiri displaced persons (DP). An unspecified number of Nigerian troops have also taken refuge inside the compound, having been surprised at how well the Ijaw villagers outside the compound are armed. The company hopes to evacuate all of its employees and the displaced persons via two Antonovs that are scheduled to arrive sometime tomorrow from South Africa. There have been no injuries since March 17 when one Nigerian catering contractor was killed and one injured. ChevronTexaco's onshore and swamp 140,000 bpd production has ceased and plans are to gradually shut down the remaining 300,000 bpd. (Note: Omole asked that this last figure be treated as confidential.) ChevronTexaco's security Manager has

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indicated that the company may ask for USG assistance in approaching the GON if the situation does not improve by Saturday, March 22. End Summary.

3. (SBU) On March 21 at 1440, Sola Omole, General Manager, Government and Public Affairs Department for ChevronTexaco called Econoff to report on the escalating tensions between warring villagers around ChevronTexaco's Escravos Tank Farm and to ask for USG assistance in contacting the GON. Omole reported that the Ijaws outside the compound and security forces inside were shooting at one another. In a subsequent conversation, ChevronTexaco's security manager Ray Keel indicated that if the situation does not improve, the company might ask for USG help on Saturday, March 22. As of 1800, Chevron has shut down its onshore and swamp operations, halted the production of 140,000 bpd of crude oil, and hopes to evacuate all of its non-essential personnel and the villagers who are seeking refuge on the compound.

4. (SBU) Omole requested that the Ambassador use his office to intercede at the level of the Nigerian presidency. Although he was not specific about what he was asking for, Omole indicated that the situation in Escravos was deteriorating. (Comment: We learned in a subsequent conversation that the President had been informed of ChevronTexaco's situation through Carl Masters, an associate of former Ambassador Andrew Young. End comment.) Omole also spoke to the British High Commissioner.

5. (SBU) ConGen RSO met with ChevronTexaco security officers who largely confirmed Omole's assessment of the situation. The Safety Manager told the CG and the RSO that he is considering asking the Ambassador for assistance, but the company was also approaching the government from other angles. Later, Keel told CG that the company has contacted NNPC and the Nigerian military. If these representations prove unsuccessful by tomorrow, the company may ask for USG assistance to press the government to stop the fighting.

6. (SBU) In separate conversations, Keel told CG and RSO that the Ijaws are better armed with AK-47s and RPGs than anyone - including the Nigerian military - expected them to be. Having caused the Nigerian security forces to retreat onto Chevron's property, the Ijaws are now accusing the company of colluding with their Itsikiri enemies who are also inside the compound.

7. (SBU) Chevron is awaiting the arrival of two Antonovs (there were previous reports of a C-130) from South Africa via Uganda to evacuate the expatriates, the Nigerian staff, and the last 900 of the 2000 refugees remaining on its

compound. The planes are expected to arrive at the Escravos airstrip no sooner than Saturday, March 22.

HINSON-JONES